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Security Council Committee established pursuant to resolution 1718 (2006) concerning the Democratic People's Republic of Korea

Letter dated 13 November 2006 from the Permanent Representative of the United States of America to the United Nations addressed to the Chairman of the Committee

The United States Mission has the honour to attach its report pursuant to paragraph 11 of resolution 1718 (2006) on the steps taken by the Government of the United States to implement paragraph 8 of the above-mentioned resolution (see annex).

(*Signed*) John R. **Bolton**
Ambassador

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Annex to the letter dated 13 November 2006 from the Permanent Representative of the United States of America to the United Nations addressed to the Chairman of the Committee

United States 30 Day Report for the United Nations Security Council

Efforts Toward Implementing UNSCR 1718

The United States believes it is essential that Member States fully and effectively implement their obligations under UNSCR 1718. The United States is considering a range of measures to implement UNSCR 1718. This includes application of further trade and assistance restrictions, where appropriate, and working with other states to prevent trade prohibited by the resolution.

For example, the U.S. is also currently in the process of reviewing implementation of three sanctions that are triggered when the President or Secretary of State determines that a non-nuclear weapon state has detonated a nuclear weapon. These sanctions are spelled out in the Arms Export Control Act, the Atomic Energy Act, and the Export-Import Bank Act. The Arms Export Control Act provisions require a wide range of economic measures against sanctioned countries, with exceptions for humanitarian and food exports. The Atomic Energy Act sanctions specifically bar nuclear-related exports and the relevant Export Import Bank Act provision would prohibit Bank support for U.S. exports to sanctioned countries.

Following the structure of Operative Paragraph 8 of UNSCR 1718, U.S. actions to date are as follows:

Paragraph 8(a): *All Member States shall prevent the direct or indirect supply, sale or transfer to the DPRK, through their territories or by their nationals, or using their flag vessels or aircraft, and whether or not originating in their territories, of:*

Paragraph 8(a)(i): *Any battle tanks, armoured combat vehicles, large calibre artillery systems, combat aircraft, attack helicopters, warships, missiles or missile systems as defined for the purpose of the United Nations Register on Conventional Arms, or related materiel including spare parts, or items as determined by the Security Council or the Committee;*

The United States does not permit the export to North Korea of any items on the U.S. Munitions List. The United States also does not approve the export and re-export to North Korea of any dual-use item covered by Paragraph 8(a)(i) of UNSCR 1718 that is included on the U.S. Commerce Control List. In general, U.S. export control restrictions include, but are far broader in scope than, the items listed in UNSCR 1718, subparagraph 8(a)(i).

The U.S. Munitions List can be found at the following website:
http://www.access.gpo.gov/nara/cfr/waisidx_01/22cfr121_01.html

The Commerce Control List can be found at the following website:
http://www.access.gpo.gov/bis/ear/ear_data.html#ccl

The United States also works with like-minded countries, including through the Wassenaar Arrangement, to prevent the transfer to or from North Korea of conventional arms, and transfers to North Korea of related dual-use technologies that could contribute to their conventional

weapons programs as well as to the development, production, or delivery of Weapons of Mass Destruction and their delivery systems. The United States continues to monitor and assess reports of possible munitions and dual-use technology transfers to and from North Korea.

Paragraph 8(a)(ii): *All items, materials, equipment, goods and technology as set out in the lists in documents S/2006/814 and S/2006/815, unless within 14 days of adoption of this resolution the Committee has amended or completed their provisions also taking into account the list in document S/2006/816, as well as other items, materials, equipment, goods and technology, determined by the Security Council or the Committee, which could contribute to DPRK's nuclear-related, ballistic missile-related or other weapons of mass destruction-related programmes,*

S/2006/814: Nuclear Material, Equipment and Technology; and Nuclear-related Dual-use Equipment, Materials, Software and Related Technology

The United States does not permit the export to North Korea of any items that could contribute to North Korea's nuclear programs. This includes all of the items specifically listed in UN document S/2006/814. The United States also works with like-minded countries, including through the Nuclear Suppliers Group, the Zangger Committee, the Proliferation Security Initiative, and through outreach programs to non-member countries, to prevent the transfer of nuclear and nuclear-related equipment, materials, software and related technology to or from North Korea that could contribute to the development, production, or delivery of nuclear weapons.

S/2006/815: Missile Technology, Equipment, and Software

The United States does not permit the export to North Korea of any items that could contribute to North Korea's missile programs. This includes all of the items specifically listed in UN document S/2006/815. The United States also works with like-minded countries, including through the Missile Technology Control Regime and the Proliferation Security Initiative to prevent the transfer of missile-related materials to or from North Korea that could contribute to the development or production of missiles.

S/2006/853: Chemical Weapons Precursors, Dual-Use Chemical Manufacturing Facilities and Equipment and Related Technology, Dual-Use Biological Equipment and Related Technology, Biological Agents, Plant Pathogens, and Animal Pathogens

All items on the dual-use chemical and biological list, as agreed in S/2006/853, require a license from the U.S. Department of Commerce for export or re-export to North Korea. Applications for export and re-export to all end users in North Korea of the items contained on this list are subject to a policy of denial. The United States also works with like-minded countries, including through the Australia Group and the Proliferation Security Initiative, to prevent the transfer of chemical- or biological-related materials to or from North Korea that could contribute to the development, production, or delivery of chemical or biological weapons.

It is also important to note that the United States controls more items than those contained in S/2006/853. The United States believes these additional items pose a significant proliferation risk and has proposed to the Committee to include them among the chemical and biological items controlled for transfer to or from North Korea.

Paragraph 8(a)(iii) Luxury goods;

The United States is working on new controls intended to prevent the export of luxury goods to North Korea. We have also developed a provisional list (attached to this report) of items we consider to be luxury goods. The list is illustrative and not intended to be all inclusive.

Paragraph 8 (b): The DPRK shall cease the export of all items covered in subparagraphs (a) (i) and (a) (ii) above and all Member States shall prohibit the procurement of such items from the DPRK by their nationals, or using their flagged vessels or aircraft, and whether or not originating in the territory of the DPRK;

Goods of North Korean origin may not be imported into the United States either directly or through third countries, without prior notification to and approval of the Office of Foreign Assets Control. In February 2006, President Bush reconfirmed that North Korean-flagged vessels are prohibited from entering U.S. ports. On April 6 2006, the U.S. Treasury Department's Office of Foreign Assets Control published an amendment to the Foreign Assets Control Regulations to prohibit U.S. persons from owning, leasing, operating, or insuring North Korean flagged vessels. The amendment went into effect on May 8, 2006. The United States has no air services agreement with North Korea, and there are no flights by U.S. airlines to North Korea or flights by the North Korean airline to the United States.

Paragraph 8 (c): All Member States shall prevent any transfers to the DPRK by their nationals or from their territories, or from the DPRK by its nationals or from its territory, of technical training, advice, services or assistance related to the provision, manufacture, maintenance or use of the items in subparagraphs (a) (i) and (a) (ii) above;

U.S. restrictions on transfers of lethal military equipment, nuclear-related items, missile-related items, and chemical-biological items to North Korea include restrictions on providing related software, technology, assistance, training, advice or services. The United States works with like-minded countries, including through the Wassenaar Arrangement, the Nuclear Suppliers Group, the Zangger Committee, the Missile Technology Control Regime, the Proliferation Security Initiative, and through outreach programs to non-member countries, to prevent transfers to North Korea of technical training, advice, services or assistance related to the provision, manufacture, maintenance or use of the items in subparagraphs (a) (i) and (a) (ii) of operative paragraph 8 of UNSCR 1718.

Paragraph 8(d): All Member States shall, in accordance with their respective legal processes, freeze immediately the funds, other financial assets and economic resources which are on their territories at the date of the adoption of this resolution or at any time thereafter, that are owned or controlled, directly or indirectly, by the persons or entities designated by the Committee or by the Security Council as being engaged in or providing support for, including through other illicit means, DPRK's nuclear-related, other weapons of mass destruction-related and ballistic missile-

related programmes, or by persons or entities acting on their behalf or at their direction, and ensure that any funds, financial assets or economic resources are prevented from being made available by their nationals or by any persons or entities within their territories, to or for the benefit of such persons or entities;

The United States is currently reviewing possible candidates for submission to the Committee pursuant to paragraph 8(d) of UNSCR 1718.

In June 2005, the President signed Executive Order 13382 (Blocking Property of Weapons of Mass Destruction Proliferators and Their Supporters). The Order allows the United States to block or "freeze" the property and assets, subject to U.S. jurisdiction, of weapons of mass destruction (WMD) proliferators and their supporters. Persons that are designated under the Order are denied access to the U.S. financial and commercial systems, and U.S. persons, wherever located, are prohibited from engaging in transactions with them. This national authority will allow the United States to implement effectively the provisions set forth in 8(d) of UNSCR 1718.

The United States has designated 12 entities and one individual under Executive Order 13382 for DPRK proliferation activities. These entities and one individual can be found at the following website: http://www.ustreas.gov/offices/enforcement/ofac/programs/wmd/wmd.pdf. The United States intends to propose to the Committee that these same 12 entities and one individual be considered for designation and be subject to the measures in subparagraphs 8(d) of UNSCR 1718.

***Paragraph 8(e):** All Member States shall take the necessary steps to prevent the entry into or transit through their territories of the persons designated by the Committee or by the Security Council as being responsible for, including through supporting or promoting, DPRK policies in relation to the DPRK's nuclear-related, ballistic missile-related and other weapons of mass destruction-related programmes, together with their family members, provided that nothing in this paragraph shall oblige a state to refuse its own nationals entry into its territory;*

The United States intends to propose that the Committee consider the individual previously designated under E.O. 13382 for designation pursuant to subparagraph 8(e) of UNSCR 1718.

***Paragraph 8(f):** In order to ensure compliance with the requirements of this paragraph, and thereby preventing illicit trafficking in nuclear, chemical or biological weapons, their means of delivery and related materials, all Member States are called upon to take, in accordance with their national authorities and legislation, and consistent with international law, cooperative action including through inspection of cargo to and from the DPRK, as necessary;*

The United States cooperates closely with allied and partner states to scrutinize closely North Korean exports and imports, in accordance with domestic law and international legal frameworks, that pass through their ports, airports, on their flagged ships, and border crossings, and takes appropriate steps to prevent the transfer of items prohibited by the resolution. The United States emphasizes that these actions are not intended to implement a blockade or embargo on North Korea. The United States anticipates inspections will take place in territorial waters,

ports, airfields, and other border crossings and generally be conducted by state-sanctioned local officials such as customs authorities, coast guards, and navies.

U.S. efforts to take cooperative action to prevent the trafficking in nuclear, chemical, or biological weapons, their means of delivery, and related materials by North Korea and other proliferant states are embodied in the Proliferation Security Initiative (PSI). The PSI is an international counterproliferation effort aimed at preventing and disrupting shipments of weapons of mass destruction, their delivery systems, and related materials flowing to or from states or non-State actors of proliferation concern. On September 4, 2003, PSI partners agreed on and published the PSI "Statement of Interdiction Principles" (SOP), which identifies steps necessary for effective interdiction efforts. The U.S. website for PSI is: http://www.state.gov/t/np/c10390.htm. The SOP stresses that actions taken are consistent with national legal authorities and relevant international law and frameworks. The United States encourages all responsible states to endorse the PSI and be willing to assist in interdiction activities. The United States, in partnership with many PSI nations, has implemented a series of PSI training exercises through which states that have endorsed PSI will continue to enhance their operational interdiction capabilities. These exercises continue to raise the awareness of the steps that are necessary for successful interdictions, focus on improving communications, and forge closer relationships with our PSI partners.

The United States has concluded bilateral maritime boarding agreements with six key flag states in support of the PSI: Liberia, Panama, the Marshall Islands, Cyprus, Belize, and Croatia. These agreements will facilitate consent to board vessels suspected of carrying cargo banned under UNSCR 1718.

A new international legal tool that would also support PSI and maritime interdictions of WMD was adopted on October 14, 2005 at a Diplomatic Conference of the International Maritime Organization (IMO) in London. States Parties to the Convention for the Suppression of Unlawful Acts Against the Safety of Maritime Navigation (SUA) approved Protocols containing several nonproliferation amendments to the SUA. The Protocols requires States Parties to criminalize under their domestic laws certain acts, including using a ship in terrorist activity, transporting WMD, their delivery systems and related equipment, materials or software or related technology that significantly contributes to the design, manufacture or delivery of a nuclear, biological or chemical weapon. These amendments will strengthen the international legal basis for maritime interdiction of shipments destined for WMD programs. The recently amended SUA also includes a new ship boarding regime based on flag state consent that establishes a comprehensive set of procedures and protections designed to facilitate the boarding of a vessel that is suspected of being involved in a SUA offense. The Protocol to the SUA Convention containing the new nonproliferation, counterterrorism and ship boarding provisions was opened for signature on February 14, 2006, but has not yet entered force. The United States signed the Protocol, but has not yet ratified it.

U.S. Luxury Items List (Provisional)

This list is a baseline description of luxury goods the U.S. is considering controlling pursuant to UNSCR 1718. Goods may be added to this list taking into account national discretion on what constitutes a luxury good.

- **Tobacco and Tobacco Products**
- **Luxury Watches**
  - Wrist, pocket, and other with a case made of precious metal or of metal clad with precious metal
- **Apparel and Fashion Items**
  - Leather articles
  - Silk articles
  - Fur skins and artificial furs
  - Fashion accessories: leather travel goods, vanity cases, binocular and camera cases, handbags, wallets, designer fountain pens, silk scarves
  - Cosmetics, including beauty and make-up
  - Perfumes and toilet waters
  - Designer clothing: leather apparel and clothing accessories
- **Decorative Items**
  - Rugs and tapestries
  - Tableware of porcelain or bone china
  - Items of lead crystal
  - Works of art (including paintings, original sculptures and statuary), antiques (more than 100 years olds), and collectible items, including rare coins and stamps
- **Jewelry**
  - Jewelry with pearls, gems, precious and semi-precious stones (including diamonds, sapphires, rubies and emeralds), jewelry of precious metal or of metal clad with precious metal
- **Gems and Precious Metals**
  - Gold, silver, platinum, diamonds, precious and semi-precious stones (including sapphires, rubies and emeralds)
- **Electronic Items**

- Flat-screen, plasma or LCD panel televisions or other video monitors or receivers (including high-definition televisions), and any television larger than 29 inches; DVD players
- PDAs
- Personal digital music players
- *Computer laptops

- **Transportation Items**

  - Yachts and other aquatic recreational vehicles (such as jet skies)
  - *Luxury automobiles (and motor vehicles): automobiles and other motor vehicles to transport people (other than public transport) including station wagons
  - Racing cars, snowmobiles, and motorcycles
  - Personal transportation devices (Segways)

- **Recreational Items**

  - Musical instruments
  - Recreational and sports equipment

- **Alcoholic Beverages:** Wine, beer, ales, and liquor

* Categories of items with an asterisk will be exempted from the general denial if they are being imported by legitimate organizations involved in humanitarian relief efforts, other internationally sanctioned efforts, or items in the interest of the United States Government.